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**UNITED STATES BANKRUPTCY COURT CENTRAL
DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

In re:
The Litigation Practice Group P.C.,

Debtor.

Case No. 8:23-bk-10571-SC
Chapter 11
Adv. Proc. No. 8:25-ap-_____-SC

COMPLAINT FOR:

Richard A. Marshack, Trustee of the LPG
Liquidation Trust.

Plaintiff,

v.
Retail Is Us, LLC, a Nevada
Limited Liability Company; and
Nir Algazy, individually

Defendants.

**(1) AVOIDANCE, RECOVERY, AND
PRESERVATION OF 2-YEAR ACTUAL
FRAUDULENT TRANSFERS;**

**(2) AVOIDANCE, RECOVERY, AND
PRESERVATION OF 2-YEAR
CONSTRUCTIVE FRAUDULENT
TRANSFERS;**

**(3) AVOIDANCE, RECOVERY, AND
PRESERVATION OF 4-YEAR ACTUAL
FRAUDULENT TRANSFERS;**

**(4) AVOIDANCE, RECOVERY, AND
PRESERVATION OF 4-YEAR
CONSTRUCTIVE FRAUDULENT
TRANSFERS;**

(5) AVOIDANCE, RECOVERY AND PRESERVATION OF PREFERENTIAL TRANSFER MADE WITHIN NINETY DAYS OF THE PETITION DATE;

(6) AIDING AND ABETTING; AND

(7) TURNOVER;

For his *Complaint for (1) Avoidance, Recovery, and Preservation of 2-Year Actual Fraudulent Transfers; (2) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (3) Avoidance, Recovery, and Preservation of 4-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 4-Year Constructive Fraudulent Transfers; (5) Avoidance, Recovery, and Preservation of Preferential Transfer; (6) Aiding and Abetting; and (7) Turnover* (“Complaint”), plaintiff Richard A. Marshack, the former Chapter 11 Trustee for the bankruptcy estate (“Estate”) of debtor The Litigation Practice Group P.C. and current Trustee of the LPG Liquidation Trust (“Debtor” or “LPG”) (together the (“Trustee” or “Plaintiff”) in the above-captioned bankruptcy case (“Bankruptcy Case”), alleges and avers as follows:

STATEMENT OF JURISDICTION, NATURE OF PROCEEDING, AND VENUE

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 157(b)(2)(A), (E), (H) and (O), 1334(b), and General Order No. 13-05 of the District Court for the Central District of California because this is a core proceeding arising in and/or related to the Bankruptcy Case, which is a case under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”), and which is pending in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (“Bankruptcy Court”).

2. Regardless of whether this proceeding is core, non-core, or otherwise, Plaintiff consents to the entry of a final order and judgment by the Bankruptcy Court.

3. Defendants are notified that Rule 7008 of the Federal Rules of Bankruptcy Procedure

1 requires defendants to plead whether consent is given to the entry of a final order and judgment by the
2 Bankruptcy Court.

3 4. Venue of this adversary proceeding properly lies in this judicial district pursuant to 28
4 U.S.C. § 1409(a) because this proceeding is related to Debtor's pending Bankruptcy Case.

5 **THE PARTIES**

6 5. Plaintiff, Richard A. Marshack, was the duly-appointed, qualified, and acting Trustee
7 of the LPG liquidation trust.

8 6. Debtor is, and at all material times was, a professional corporation organized, existing,
9 and in good standing under the laws of the State of California, with its principal place of business in
10 Tustin, California.

11 7. Defendant, Retail IS US LLC ("Retail"), is, and at all material times represented that it
12 was, a Nevada limited liability corporation, existing under the laws of the State of Nevada.

13 8. Retail may be served by first class mail postage prepaid upon its registered agents for
14 service of process, Attn: Nir Algazy 9205 West Russell Road, Building #3 Suite #240, Las Vegas,
15 NV. 89148.

16 9. Defendant, Nir Algazy ("Algazy") is an individual who is the, managing member of
17 Retail. Algazy may be served at 11020 Desert Dove Ave. Las Vegas, NV, 89144.

18 10. Retail and Algazy are collectively known as "Defendants".

19 **GENERAL ALLEGATIONS**

20 **A. The Bankruptcy Case**

21 11. On March 20, 2023 ("Petition Date"), Debtor filed a voluntary petition for relief
22 under Chapter 11 of Title 11 of the United States Code, commencing the Bankruptcy Case.

23 12. The Office of the United States Trustee ("UST") filed its *Motion by United States*
24 *Trustee to Dismiss or Convert Case Pursuant to 11 U.S.C. § 1112(b)* [Bankr. Docket No. 21] and
25 creditors Debt Validation Fund II, LLC; MC DVI Fund 1, LLC; and MC DVI Fund 2, LLC filed the
26 *Motion by DVF and MC DVI to Dismiss Chapter 11 Case Pursuant to 11 U.S.C. §§ 105, 305, 349, &*
27 *1112, or in the Alternative Convert This Case to Chapter 7 or Appoint a Trustee* [Bankr. Docket No.
28 44]. On May 4, 2023, the Court entered its *Order Directing United States Trustee to Appoint Chapter*

1 *11 Trustee* [Bankr. Docket No. 58].

2 13. Pursuant to the *Acceptance of Appointment as Chapter 11 Trustee* [Bankr. Docket No.
3 63], on May 8, 2023, Trustee accepted his appointment as the Chapter 11 Trustee in the Bankruptcy
4 Case, and he continues to serve in this capacity at this time, in addition to the Liquidating Trustee. The
5 Court approved the Trustee's appointment in its *Order Approving the U.S. Trustee's Application for*
6 *the Appointment of a Chapter 11 Trustee* [Bankr. Docket No. 65].

7 14. Trustee was not appointed until after events of the case and, therefore, bases these
8 allegations on information and belief. *Soo Park v. Thompson*, 851 F.3d 910, 928 (9th Cir.
9 2017) ("The *Twombly* plausibility standard . . . does not prevent a plaintiff from pleading facts alleged
10 upon information and belief where the facts are peculiarly within the possession and control of the
11 defendant or where the belief is based on factual information that makes the inference of culpability
12 plausible."); *Miller v. City of Los Angeles*, 2014 U.S. Dist. LEXIS 198871, 2014 WL 12610195, at *5
13 (C.D. Cal. Aug. 7, 2014) (recognizing that the plaintiff's "information and belief" pleading was
14 allowed and "necessary at times"); *see also Mireskandari v. Daily Mail and General Trust PLC*, 2013
15 U.S. Dist. LEXIS 194437, 2013 WL 12129642, at *4 (C.D. Cal. July 31, 2013) ("The Federal Rules
16 of Civil Procedure allow parties to plead facts on 'information and belief' if the facts 'will likely have
17 evidentiary support after a reasonable opportunity for further investigation or discovery.'" (citations
18 omitted)).

19 15. Pursuant to the Order Confirming Modified First Amended Joint Chapter 11 Plan of
20 Liquidation entered September 9, 2024, and the Notice of Occurrence of Effective Date of Modified
21 First Amended Joint Chapter 11 Plan of Liquidation filed September 24, 2024, Richard A. Marshack
22 became the Liquidating Trustee of the LPG Liquidation Trust, effective September 24, 2024. [Bankr.
23 Docket Nos. 1646 & 1762].

24 16. All claims have been transferred to the Liquidating Trust pursuant to the confirmed
25 plan and Plaintiff brings this action solely in his capacity as the former Chapter 11 Trustee and current
26 Trustee of the LPG Liquidation Trust for the benefit of Debtor's Estate and its creditors.

27 ///

28 ///

1 **B. Protective Order**

2 17. On or about May 2, 2024, Plaintiff filed a certain Notice and Motion for Entry of
3 Protective Order (the “Protective Order”).

4 18. On June 3, 2024, the Court entered its Order Granting Motion for Entry of Protective
5 Order and the Protective Order [Bankr. Docket No. 1270] (the “Protective Order”). A true and accurate
6 copy of the Protective Order is attached as **Exhibit 1** and incorporated herein.

7 19. By its own terms, the Protective Order applies to this adversary proceeding and governs
8 all discovery conducted herein.

9 **C. LPG**

10 20. LPG operated a law firm for consumers across the country who sought assistance in
11 contesting or resolving debts they would identify.

12 21. The consumers would pay LPG over a period of time via monthly debits from their
13 bank accounts.

14 22. The monthly payments were meant to cover all legal services LPG provided to the
15 consumers including validation of the debts, review of documents to determine enforceability, and
16 court appearances to halt lawsuits to obtain judgments.

17 23. In certain instances, LPG would file a lawsuit in an effort to eliminate a disputed debt
18 or to prosecute affirmative claims held by the consumers.

19 24. LPG mismanaged the consumers’ monthly payments.

20 25. Tony Diab who maintained control over LPG at all times relevant herein (“Diab”), and
21 others devised a plan to fraudulently transfer funds, client files, client funds and assets in the form of
22 ACH Receivables (the “ACH Receivables” or “Accounts Receivable”) out of LPG to third parties
23 prior to the filing of bankruptcy.

24 26. To obtain consumer clients, LPG contracted with marketing companies, who engaged
25 in illegal capping and would advertise or call to solicit consumers to become clients of LPG in
26 exchange for a percentage of the ACH Receivables collected by LPG from the consumers.

27 27. The marketing affiliate went so far as to assist with the execution of an engagement
28 letter between the consumer and LPG.

1 28. In exchange, LPG agreed to pay the marketing affiliates a percentage the monthly
2 payments collected by LPG from the consumers.

3 29. Because LPG received payments from consumers over time, it often sought financing
4 by borrowing against its future cash flows. This borrowing was not only used to finance operations at
5 LPG, but also to pay the fees owed to the marketing companies for providing the client referrals.

6 30. Many of the documents executed in connection with such financing described the
7 transactions as accounts receivable purchase agreements.

8 31. Diab used entities he controlled including, without limitation, Vulcan Consulting
9 Group, Coast Processing, PrimeLogix, LLC, LGS Holdco, LLC, and/or Maverick Management LLC
10 to divert LPG consumer funds and ACH Receivables. Diab would use numerous ACH processing
11 companies in order to easily transfer millions of dollars from Debtor to these entities he
12 controlled, without oversight or detection, and to avoid payment disputes and complications. The
13 money that flowed from Debtor through these bank accounts to defendants consisted of Client Funds
14 that Debtor funneled to these entities by means of the ACH processing companies. Debtor regularly
15 made deposits into these entities bank account such that they received Client Funds directly from
16 Debtor in addition to future Accounts Receivable.

17 **D. Defendants Retail and Algazy**

18 32. Retail was one the marketing companies that procured clients for LPG.

19 33. Based on information and belief Retail and Algazy through Retail, acted as a marketing
20 affiliate for LPG.

21 34. LPG agreed to pay, and in fact paid Defendants, a portion of the monthly payments
22 received from consumers referred by Defendants.

23 35. Retail also likely entered into agreements pursuant to which they purported to sell
24 accounts receivable back to LPG. Pursuant to these agreements, Debtor purported to buy from Retail
25 a portion of its income stream.

26 **i. Affiliate Agreements**

27 36. Based upon the Trustee's review of the business operations of the marketing affiliates
28 and the Debtor's banking records, including transactions between Retail and Debtor, upon information

1 and belief, Retail operated as a marketing affiliate for the Debtor and such arrangement was dictated
2 by an oral or written affiliate agreement with Retail (whether memorialized by written or oral
3 agreement, the “Affiliate Agreement(s)”). A true and accurate copy of the summary of the banking
4 transaction history is attached as **Exhibit 2** and incorporated herein (“Transaction History”).

5 37. Retail owns and operates a system of generating leads consisting of consumers
6 interested in the legal services offered by LPG.

7 38. Pursuant to the Debtor’s Affiliate Agreements, the marketing affiliate would be
8 required to generate leads consisting of consumers interested in the legal services offered by LPG and
9 refer those consumers to Debtor.

10 39. In exchange for the referrals, Debtor paid its marketing affiliates, including the Retail.
11 *See* Transaction History.

12 40. Affiliate Agreements and any associated referral activity conducted by Retail violate
13 Sections 6151 and 6155 of the California Business and Professional Code, which prohibit referrals of
14 potential clients to attorneys unless registered with the State Bar of California. CAL. BUS. & PROF.
15 CODE § 6155. “Referral activity” includes “any entity ‘which, in person, electronically, or otherwise,
16 refers the consumer to an attorney or law firm not identified’ in the advertising.” *Jackson v.*
17 *LegalMatch.com*, 42 Cal. App. 5th 760, 775 (2019). A referral includes receiving information from
18 potential clients and sending that information to lawyers, even when the advertiser does not advertise
19 the name of the attorneys and the clients do not clear the name of the potential attorney after the referral
20 occurred. *Id.*

21 41. Further, if any effect of an agreement is to accomplish an unlawful purpose, the
22 agreement may be declared illegal regardless of the intention of the parties. *Stockton Morris Plan Co.*
23 *v. Cal. Tractor & Equip. Corp.*, 112 Cal. App. 2d 684, 690 (1952) (citing *Fewel & Dawes, Inc. v.*
24 *Pratt*, 17 Cal. 2d 85, 91 (1941)). This remains true regardless of whether the contract has been
25 performed. *Stevens v. Boyes Hot Springs Co.*, 113 Cal. App. 479, 483 (1931) (A contract by a
26 corporation to purchase its own stock has the effect of illegally withdrawing and paying to a
27 stockholder a part of the capital stock of the corporation and is illegal and void, regardless of the fact
28 that the contract is fully performed by the sellers and partially performed by the corporation.);

1 *Mansfield v. Hyde*, 112 Cal. App. 2d 133, 139 (1952), overruled, *Fomco, Inc. v. Joe Maggio, Inc.*, 8
2 Cal. Rptr. 459 (1960) (Where object of statute requiring licenses is to prevent improper persons from
3 engaging in particular activity, or is for purpose of regulating occupation or business for protection of
4 public, imposition of penalty amounts to prohibition against engaging in occupation or business
5 without license, and contract made by unlicensed person in violation of statute is invalid.); *Firpo v.*
6 *Murphy*, 72 Cal. App. 249, 252 (1925) (A contract to pay commissions to a real estate broker is illegal
7 and he is not entitled to recover thereon where he fails to secure the license required by law to carry
8 on his business.).

9 42. Because Affiliate Agreements and associated referral activity violate federal and state
10 law since the named Retail have not registered with the State Bar of California as required by CAL.
11 BUS. & PROF. CODE § 6155, they are void, unenforceable, and subject to avoidance as fraudulent. Any
12 alleged consideration provided to Debtor under the Affiliate Agreements (defined hereafter below)
13 was unlawful.

14 43. Unlawful consideration is that which is: “(1) contrary to an express provision of law;
15 (2) contrary to the policy of express law, though not expressly prohibited; or (3) otherwise contrary to
16 good morals.” Cal. Civ. Code § 1667. “If any part of a single consideration for one or more objects,
17 or of several considerations for a single object, is unlawful, the entire contract is void.” Cal. Civ. Code
18 § 1608.

19 **ii. Account Receivable Purchase Agreements**

20 44. Based upon the Trustee’s review of the Debtor’s records, the Debtor entered into
21 several accounts receivable purchase agreements (whether memorialized by oral or written agreement,
22 “ARPA Agreement(s)”) with its marketing affiliates.

23 45. Retail intended to acquire “cash flow streams representing interests in customer
24 payments for debt validation.” Upon information and belief, Retail executed at least one ARPA with
25 entities related to LPG.

26 46. Pursuant to ARPA Agreements generally, the Debtor purports to buy from its
27 marketing affiliates’ accounts receivable from consumers that were supposed to be held in trust until
28 earned.

1 47. Pursuant to business relationship between Debtor paid Retail not less than \$781,291.64.

2 48. By entering into the ARPA Agreements and/or agreeing to enter into such a transaction,
3 Debtor and Retail violated federal and state laws by selling unearned legal fees or funds that were
4 supposed to be held in trust or used for the benefit of consumers.

5 49. The effect of the ARPA Agreements and/or related transactions was to accomplish an
6 unlawful purpose. Thus, the agreement may be declared illegal regardless of the intention of the
7 parties. *Stockton Morris Plan Co. v. Cal. Tractor & Equip. Corp.*, 112 Cal. App. 2d 684, 690 (1952)
8 (citing *Fewel & Dawes, Inc. v. Pratt*, 17 Cal. 2d 85, 91 (1941)). This remains true regardless of whether
9 the contract has been performed. *Stevens v. Boyes Hot Springs Co.*, 113 Cal. App. 479, 483 (1931) (A
10 contract by a corporation to purchase its own stock has the effect of illegally withdrawing and paying
11 to a stockholder a part of the capital stock of the corporation and is illegal and void, regardless of the
12 fact that the contract is fully performed by the sellers and partially performed by the corporation.);
13 *Mansfield v. Hyde*, 112 Cal. App. 2d 133, 139 (1952), overruled, *Fomco, Inc. v. Joe Maggio, Inc.*, 8
14 Cal. Rptr. 459 (1960) (Where object of statute requiring licenses is to prevent improper persons from
15 engaging in particular activity, or is for purpose of regulating occupation or business for protection of
16 public, imposition of penalty amounts to prohibition against engaging in occupation or business
17 without license, and contract made by unlicensed person in violation of statute is invalid.); *Firpo v.*
18 *Murphy*, 72 Cal. App. 249, 252 (1925) (A contract to pay commissions to a real estate broker is illegal
19 and he is not entitled to recover thereon where he fails to secure the license required by law to carry
20 on his business.).

21 50. Because the ARPA Agreements and/or related transactions violate federal and state
22 laws, it is void, unenforceable, and subject to avoidance as fraudulent. Any alleged consideration
23 provided to Debtor under the ARPA Agreements and/or related transactions was unlawful.

24 51. Unlawful consideration is that which is: “(1) contrary to an express provision of law;
25 (2) contrary to the policy of express law, though not expressly prohibited; or (3) otherwise contrary to
26 good morals.” Cal. Civ. Code § 1667. “If any part of a single consideration for one or more objects,
27 or of several considerations for a single object, is unlawful, the entire contract is void.” Cal. Civ. Code
28 § 1608.

1 **iii. Demand Letter**

2 52. On or about November 18, 2024, Trustee sent a demand letter to Retail (the “Demand
3 Letter”). A true and accurate copy of the Preference Letter is attached as **Exhibit 3**, and incorporated
4 here.

5 53. The Demand Letter discussed certain transfers from Debtor that were made to Retail
6 within the 4 year reach-back period prior to the Petition Date. The transfers were listed showing the
7 date and amount, according to Debtor’s books and records, of each transfer or other payment
8 (“Transfer Schedules”). The Demand Letter described that Retail was paid \$144,751.62 in Transfers
9 and \$15,578.21 in Preference Transfers. Trustee requested Retail provide information to assess
10 whether any claim or defenses exist related to the transfers.

11 54. Based on the information available to Trustee and considering the nature of the
12 relationship between Debtor and Retail, no potential defenses were identified that could reduce
13 Retail’s liability for the preference payment.

14 **E. Payments to Retail**

15 55. During the applicable reach-back period, Debtor paid Retail the sum of at least
16 \$144,751.62 between October 2022 and March 2023 (“Transfers”). *See* Exhibit 2.

17 56. At least \$15,578.21 of the Transfers from Debtor to Retail occurred during the 90-day
18 preference period (“Preference Transfers”). A true and accurate list of the payments of Preference
19 Transfers is attached as **Exhibit 4**, and incorporated here.

20 **F. LPG’s Ponzi Scheme**

21 57. The Ponzi Scheme Presumption exists in this Bankruptcy.

22 58. The Ponzi Scheme Presumption can be utilized to establish a debtor’s “intent to defraud
23 future undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme. Indeed,
24 no other reasonable inference is possible. A Ponzi scheme cannot work forever. The investor pool is
25 a limited resource and will eventually run dry. The perpetrator must know that the scheme will
26 eventually collapse as a result of the inability to attract new investors. The perpetrator nevertheless
27 makes payments to present investors, which, by definition, are meant to attract new investors. He must
28 know all along, from the very nature of his activities, that investors at the end of the line will lose their

1 money. Knowledge to a substantial certainty constitutes intent in the eyes of the law, *cf. Restatement*
2 *(Second) of Torts § 8A (1963 & 1964)*, and a debtor’s knowledge that future investors will not be paid
3 is sufficient to establish his actual intent to defraud them. *Cf. Coleman Am. Moving Servs., Inc. v. First*
4 *Nat’l Bank & Trust Co. (In re American Properties, Inc.)* (Bankr.D.Kan. 1981) 14 B.R. 637, 643
5 (intentionally carrying out a transaction with full knowledge that its effect will be detrimental to
6 creditors is sufficient for actual intent to hinder, delay or defraud within the meaning of § 548(a)(1)).”
7 *Merrill v. Abbott (In re Independent Clearing House Co.)* (D. Utah 1987) 77 B.R. 843, 860. A trustee
8 in bankruptcy is not required to show that an operator of a Ponzi scheme was subjectively aware his
9 Ponzi scheme was destined to fail. *In re EPD Inv. Co., LLC*, 114 F.4th at 1153 (9th Cir. 2024) (“[a]
10 trustee’s action to recover assets fraudulently conveyed in the course of a Ponzi scheme does not
11 require that the trustee also prove the Ponzi-scheme operator was subjectively aware his Ponzi scheme
12 was destined to fail.”)

13 59. “But if all the debtor receives in return for a transfer is the use of the defendant’s money
14 to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors to share. In fact, by
15 helping the debtor perpetuate his scheme, the transfers exacerbate the harm to creditors by increasing
16 the amount of claims while diminishing the debtor’s estate. In such a situation, the use of the
17 defendant’s money cannot objectively be called “reasonably equivalent value.” *In re Independent*
18 *Clearing House Co.* 77 B.R.at 859. Therefore, “[t]he trustee can avoid the transfers if they were
19 preferential or fraudulent. Transfers to investors in a Ponzi scheme are preferential and fraudulent.
20 Therefore, they constitute “property of the estate,” and the trustee can recover them. *Id.* at 853 n.17
21 (citations omitted).

22 60. Debtor was operating a Ponzi scheme that utilized Retail and Algazy through Retail,
23 and several other entities as investors to continue its unlawful business practices by using funds
24 provided by current investors to attract new investors hoping for very high returns. Therefore, the
25 Debtor was running a Ponzi scheme and the Ponzi Scheme Presumption can be utilized to infer that
26 the Debtor had the intent to defraud investors within the meaning of 11 U.S.C. section 548(a)(1).

27 61. Moreover, since the Transfers were made with the intent to further the Ponzi scheme,
28 the Debtor did not receive an objectively reasonable equivalent value for the Transfers, and the Trustee

1 can avoid the Transfers because they were preferential and fraudulent.

2 **G. LPG's Prepetition Creditors**

3 62. Debtor was insolvent when each Transfer was made. This insolvency is evidenced in
4 part by the fact that 14 separate UCC-1 statements were of record securing debts of the Debtor as of
5 September 1, 2022. These statements remained unreleased as of the Petition Date. These statements
6 either reflected secured liens against the Debtor's assets then owned or thereafter acquired, or provided
7 evidence of the assignment or sale of substantial portions of the Debtor's future income.

8 63. Plaintiff directs Defendants to the Order Denying Greyson's Motion to Vacate the
9 Preliminary Injunction entered as Bankr. Docket No. 1545 ("Order") where the Court found "it is clear
10 to this Court that Debtor, since its pre-petition inception (and through the time of the appointment of
11 the Chapter 11 Trustee) was, in the Court's opinion operating a criminal enterprise" and that "[t]here
12 is also evidence before the Court that the Debtor was running a Ponzi scheme and paying some outside
13 (or 'network') attorneys with funds obtained from new clients." Order p. 3, l. 11-13; p. 4, l. 14-15.
14 Insolvency is presumed as a matter of law if the debtor operated a Ponzi scheme. *See, e.g., Glob.*
15 *Money Mgmt., L.P. v. McDonnold*, No. 06CV34, 2008 U.S. Dist. LEXIS 128733, at *15 (S.D. Cal.
16 Feb. 27, 2008) (concluding that "if a Ponzi scheme is proven, then the debtor is proven insolvent from
17 the time of its inception").

18 64. When the Transfers were made, these prior UCC-1 statements secured the repayment
19 of the following claimed amounts that are currently known to Trustee and are allegedly owed by the
20 Debtor: (i) \$2,374,004.82 owed to Fundura Capital Group as evidenced by Proof of Claim No. 335
21 purportedly secured by a UCC statement filed on or about May 19, 2021; (ii) approximately \$15
22 million dollars owed to MNS Funding, LLC as evidenced by Proof of Claim No. 1060 purportedly
23 secured by a UCC statement filed on or about May 28, 2021; (iii) approximately \$5,000,000 owed to
24 Azzure Capital, LLC as evidenced by Proof of Claim No. 127 purportedly secured by a UCC statement
25 filed on or about May 28, 2021; and (iv) approximately \$1.5 million dollars owed to Diverse Capital,
26 LLC purportedly secured by UCC statements filed on or about September 15, 2021, and December 1,

1 2021.^[1]

2 65. As alleged above, LPG was borrowing against its assets and future income, often on
3 unfavorable terms, not only to finance operations at LPG, but also to pay the fees owed to the
4 marketing affiliates for providing it with consumer clients. Pursuant to the agreements with the
5 marketing companies, significant percentages of future payments were already promised to be paid to
6 the marketing affiliates from whatever future income the Debtor would receive.

7 66. In addition, on Debtor's Schedule E/F [Bankr. Docket No. 33], Debtor scheduled 11
8 unsecured creditors with priority unsecured claims totaling \$374,060.04. These priority unsecured
9 creditors include Indiana Dept. of Revenue, Dept. of Labor and Industries, Arizona Dept. of Economic
10 Security, Arkansas Dept. of Finance & Admin., California Franchise Tax Board, Georgia Dept. of
11 Labor, Internal Revenue Service, Mississippi Dept. of Revenue, Nevada Dept. of Taxation, Utah State
12 Tax Commission, and Wisconsin Dept. of Revenue (collectively, "Priority Unsecured Creditors").

13 67. Another group of creditors that Debtor listed on its Schedule E/F [Bankr. Docket No.
14 33] are nonpriority unsecured creditors. Those 58 creditors have scheduled claims totaling
15 \$141,439,158.05 and include Ajilon; Anthem Blue Cross; Azevedo Solutions Groups, Inc.; Carolina
16 Technologies & Consulting Invoice; Collaboration Advisors; Credit Reporting Service Inc.; CT
17 Corporation – Inv.; Debt Pay Pro; Document Fulfillment Services; EnergyCare, LLC; Exela Enterprise
18 Solutions; First Legal Network, LLC; GHA Technologies Inc.; Harrington Electric, Inc.; Imagine
19 Reporting; Juize, Inc.; Krisp Technologies, Inc.; Liberty Mutual; Marc Lemauiel – Allegra;
20 MarkSYS Holdings, LLC; Netsuite-Oracle; Pitney Bowes; Rapid Credit, Inc.; SBS Leasing A
21 Program of De Lage Landen; Security Solutions; Sharp Business Systems; Streamline Performance,
22 Inc.; Thomson Reuters; Twilio, Inc.; Nationwide Appearance Attorneys; Executive Center, LLC;
23 Outsource Accelerator, Ltd.; TaskUs Holdings, Inc.; Marich Bein, LLC; Validation Partners; MC DVI
24 Fund 1, LLC; MC DVI Fund 2, LLC; Debt Validation Fund II, LLC; Tustin Executive Center;
25 LexisNexus; JP Morgan Chase; Business Centers of America; Michael Schwartz; Anibal Colon Jr.;
26 Kathleen Lacey; David Ulery; Kimberly Birdsong; Kevin Carpenter; Karen Suell; Gloria Eaton;

27
28 ^[1] Trustee reserves all rights, claims, and defenses with respect to these and any other purported
secured or unsecured claims.

1 Carolyn Beech; Debra Price; Kenneth Topp; Darcey Williamson, Trustee; James Hammett; Johnny
2 Rizo; Beverly Graham; Kathleen Scarlett; and Geneve and Myranda Sheffield (collectively,
3 “Nonpriority Unsecured Creditors” and, together with the Secured Creditors and Priority Unsecured
4 Creditors, “Prepetition Creditors”).

5 68. As of the date that the complaint was drafted, approximately 5,771 claims have been
6 filed with the bankruptcy Court. While Trustee has not reviewed all claims as of the date of this
7 complaint, and reserves all rights to object to those claims, the total amount is in excess of
8 approximately \$717,507,462.29.

9 69. Debtor’s profit and loss statements reflect at least \$115,000,000 of “Total Income” for
10 the three-year period ending December 31, 2021, and based on information and belief that a substantial
11 portion of this income had not actually been earned by Debtor. Proper accounting treatment of this
12 unearned “income” would have been to record the unearned portion as cash received in client trust or
13 IOLTA bank account with an offsetting client retainer liability account in the same amount. Thus, the
14 unearned portion of the income would be present only on the balance sheet and not on Debtor’s profit
15 and loss statement. Debtor’s balance sheets reflect two trust accounts, the highest balance of which
16 was approximately \$346,000 in November 2021. The balance sheets do not reflect a client retainer
17 liability account. Thus, it appears that Debtor overstated its income during the three years ending
18 December 31, 2021, though the extent to which it is overstated remains unknown. Further, assuming
19 (as it appears to be the case) Debtor did not properly record its unearned income on its balance sheets
20 using a trust account and offsetting client retainer liability account then Debtor’s assets and liabilities
21 on those balance sheets would be inaccurate.

22 70. Additionally, just because Debtor had incoming cash that does not necessarily mean it
23 was solvent. Based on information and belief Debtor’s incoming cash was related to unearned income
24 and should have been held in an appropriate trust account and recorded on its balance sheet with an
25 offsetting client retainer payable account until it was earned. This treatment is further reinforced as
26 appropriate by the fact that Debtor offered its clients a refund for unearned income. Thus, Debtor’s
27 incoming cash neither increased its assets (due to the offsetting client retainer liability in the same
28 amount) nor would it increase its profitability until services were rendered and the income was actually

1 earned.

2 71. Debtor's balance sheets for the 36 months ending December 31, 2021 show only
3 approximately \$17,900,000 in total assets (primarily comprised of accounts receivable and merchant
4 loans receivable) at its highest point in November 2021. Obviously, this amount is significantly less
5 than the \$700,000,000 of claims filed, further evidencing Debtor's state of insolvency.

6 **FIRST CLAIM FOR RELIEF**

7 **Count I - Avoidance, Recovery, and Preservation of Actual Fraudulent Transfers Against**
8 **Retail**

9 **[11 U.S.C. §§ 544, 548(a) (1) (A), 550, and 551]**

10 72. Plaintiff realleges and incorporates here by reference each and every allegation
11 contained in paragraphs 1 through 71 as though set forth in full.

12 73. All or a portion of the Transfers occurred within the two years prior to the Petition Date
13 and thus, any agreements between the Debtor and the Retail did as well, whether or not memorialized
14 in Affiliate Agreements, ARPA Agreements, or other agreements.

15 74. On or after the date that any such agreements were entered or executed and the
16 Transfers were made, entities to which Debtor was or became indebted include the Prepetition
17 Creditors.

18 75. The Transfers happened while Debtor was insolvent or rendered Debtor insolvent.

19 76. Despite Debtor's obligation to the Prepetition Creditors, Debtor continued to pay Retail
20 sums received from consumers under such Affiliate Agreements, which constitute illegal capping
21 agreements between Retail and Debtor. Any obligation of the Debtor arising from such agreement is
22 avoidable as fraudulent.

23 77. Despite Debtor's obligation to the Prepetition Creditors, Retail continued to sell
24 portions of the illegal accounts receivables generated under the ARPA Agreements to Debtor, which
25 is illegal under federal and state laws.

26 78. The Transfers were made with actual intent to hinder, delay, or defraud creditors of
27 Debtor.

28 79. The Debtor was operating a Ponzi scheme and the Ponzi Scheme Presumption can be

1 utilized to infer the Debtor's actual intent to defraud within the meaning of 11 U.S.C. Section
2 548(a)(1).

3 80. The Affiliate Agreements, ARPA Agreements, and the Transfers of Debtor's funds are
4 avoidable as fraudulent pursuant to 11 U.S.C. §§ 544, 548(a)(1)(A), 550, and 551, and the common
5 law tort of intentional fraudulent transfers by one or more creditors who held and hold unsecured
6 claims against Debtor that were and are allowable against his Estate under 11 U.S.C. § 502 or that
7 were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the
8 Prepetition Creditors.

9 81. The Affiliate Agreements, ARPA Agreements, and Transfers should be avoided as
10 fraudulent under 11 U.S.C. § 548(a)(1)(A) and under the common law tort of intentional fraudulent
11 transfers, and such transferred property, or the value thereof, should be recovered and preserved for
12 the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

13 **SECOND CLAIM FOR RELIEF**

14 **Count II - Avoidance, Recovery, and Preservation of Constructive Fraudulent Transfers**

15 **Against Retail**

16 **[11 U.S.C. §§ 544, 548(a) (1) (B), 550, and 551]**

17 82. Plaintiff realleges and incorporates here by reference each and every allegation
18 contained in paragraphs 1 through 81 as though set forth in full.

19 83. The Affiliate Agreements, ARPA Agreements, and all or a portion of the Transfers
20 occurred within the two years prior to the Petition Date.

21 84. On or after the date that such agreements were executed and such Transfers were made,
22 entities to which Debtor was or became indebted include the Prepetition Creditors.

23 85. The Transfers happened while Debtor:

- 24 a. was insolvent or became insolvent as a result;
- 25 b. was engaged or was about to engage in a transaction for which any property
- 26 remaining with Debtor had unreasonably small capital; or
- 27 c. intended to incur, or believed that it would incur, debts beyond its ability to pay
- 28 as such debts matured.

1 86. Because the referrals from Retail to Debtor are illegal under federal and state law, they
2 are void and subject to avoidance as fraudulent. Any purported consideration constitutes unlawful
3 consideration, which cannot constitute reasonably equivalent value. Thus, at the time the agreements
4 were executed and the Transfers made, Debtor received less than reasonably equivalent value.

5 87. Furthermore, the Debtor did not receive the reasonably equivalent value of the
6 Transfers to Retail because by using Retail's money to run a Ponzi Scheme, there is nothing in the
7 Estate for the creditors to share and no benefit to the estate. Rather, the Transfers exacerbated the harm
8 to creditors by increasing the amount of claims while diminishing the Debtor's Estate. In this situation,
9 the use of Retail's money to further the Debtor's Ponzi scheme cannot be consideration for the
10 Transfers and cannot objectively be called reasonably equivalent value.

11 88. Retail were acting as investors in the Debtor's Ponzi scheme. Because the sale of the
12 accounts receivable from Retail to Debtor is illegal under federal and state law, the sale is void and
13 subject to avoidance as fraudulent. Any purported consideration constitutes unlawful consideration,
14 which cannot constitute reasonably equivalent value. Thus, at the time the agreements were executed
15 and the Transfers made, Debtor received less than reasonably equivalent value.

16 89. The Affiliate Agreements, ARPA Agreements, and the Transfers should be avoided as
17 fraudulent under 11 U.S.C. §§ 544 and 548(a)(1)(B), and such transferred property, or the value
18 thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550
19 and 551.

20 **THIRD CLAIM FOR RELIEF**

21 **Count III - Avoidance, Recovery, and Preservation of Actual Fraudulent Transfers Against**
22 **Retail**

23 **[11 U.S.C. §§ 544(b), 550, and 551; CAL. CIV. CODE §§ 3439.04(a), 3430.04(b), and 3439.07]**

24 90. Plaintiff realleges and incorporates here by reference each and every allegation
25 contained in paragraphs 1 through 89 as though set forth in full.

26 91. The Affiliate Agreements, ARPA Agreements, and all or a portion of the Transfers
27 occurred within the four years prior to the Petition Date.

28 92. On or after the date that such agreements were entered and such Transfers were made,

1 entities to which Debtor was or became indebted include the Prepetition Creditors.

2 93. Despite Debtor's obligation to the Prepetition Creditors, Debtor continued to pay Retail
3 sums received from consumers under the Affiliate Agreements, which constitutes an illegal capping
4 agreement between Retail and Debtor.

5 94. The Transfers happened while Debtor was insolvent or Debtor became insolvent
6 shortly after the Transfers were made as is evidenced by the filing of the voluntary petition.

7 95. The value of the consideration received by Debtor for such Transfers was not
8 reasonably equivalent to the value of the Transfers because the Transfers were used to further assist
9 Debtor in its Ponzi scheme.

10 96. Because the referrals from Retail to Debtor are illegal under federal and state law,
11 they are void and subject to avoidance as fraudulent. Any purported consideration constitutes unlawful
12 consideration, which cannot constitute reasonably equivalent value. Thus, at the time the agreements
13 were executed and the Transfers made, Debtor received less than reasonably equivalent value.

14 97. Despite Debtor's obligation to the Prepetition Creditors, Debtor continued to buy
15 accounts receivables from Retail which is illegal under federal and state law. Because they are illegal
16 under federal and state law, they are void and subject to avoidance as fraudulent.

17 98. The Transfers were made with actual intent to hinder, delay, or defraud creditors of
18 Debtor.

19 99. The Debtor's conduct was done with oppression, fraud, and malice, as defined in
20 Civil Code section 3294, based on the Ponzi Scheme Presumption, entitling the Trustee to, in addition
21 to the actual damages, exemplary or punitive damages for making an example of the Debtor and to
22 punish the Debtor.

23 100. The Affiliate Agreements the ARPA Agreements and the Transfers of Debtor's funds
24 are avoidable as fraudulent pursuant to 11 U.S.C. § 544(b) and Cal. Civ. Code §§ 3439.04(a),
25 3439.04(b), and 3439.07 by one or more creditors who held and hold unsecured claims against Debtor
26 that were and are allowable against the Estate under 11 U.S.C. § 502 or that were not allowable only
27 under 11 U.S.C. § 502(e) including, without limitation, the Prepetition Creditors. The Affiliate
28 Agreements, the ARPA Agreements, and the Transfers of Debtor's funds are avoidable as fraudulent

1 pursuant to 11 U.S.C. § 544(b) and CAL. CIV. CODE §§ 3439.04(a) and 3439.07 by one or more
2 creditors who held and hold unsecured claims against Debtor that were and are allowable against his
3 Estate under 11 U.S.C. § 502 or that were not and are not allowable only under 11 U.S.C. § 502(e),
4 including, without limitation, the Prepetition Creditors.

5 101. Accordingly, the Affiliate Agreements, the ARPA Agreements, and the Transfers
6 should be avoided as fraudulent under 11 U.S.C. §§ 544(b) and CAL. CIV. CODE §§ 3439.04(a) and
7 3439.07, and under the common law tort of intentional fraudulent transfers, and such transferred
8 property, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant
9 to 11 U.S.C. §§ 550 and 551 and CAL. CIV. CODE § 3439.07.

10 **FOURTH CLAIM FOR RELIEF**

11 **Count IV - Avoidance, Recovery, and Preservation of Constructive Fraudulent Transfers**
12 **Against Retail**

13 **[11 U.S.C. §§ 544(b), 550, and 551; CAL. CIV. CODE §§ 3439.05, and 3439.07]**

14 102. Plaintiff realleges and incorporates here by reference each and every allegation
15 contained in paragraphs 1 through 101 as though set forth in full.

16 103. The Affiliate Agreements, the ARPA Agreements, and all or a portion of the Transfers
17 occurred within the four years prior to the Petition Date.

18 104. The Transfers happened while Debtor:

- 19 a. was insolvent or became insolvent as a result;
20 b. was engaged or was about to engage in a transaction for which any property
21 remaining with Debtor was of unreasonably small capital; or
22 c. intended to incur, or believed that it would incur, debts beyond its ability to pay
23 as such debts matured.

24 105. Because the referrals from Retail to Debtor are illegal under federal and state law, the
25 agreements are void and subject to avoidance as fraudulent. Any purported consideration constitutes
26 unlawful consideration, which cannot constitute reasonably equivalent value. Thus, at the time the
27 agreements were executed and the Transfers made, Debtor received less than reasonably equivalent
28 value.

1 106. Furthermore, the Debtor did not receive the reasonably equivalent value of the
2 Transfers to Retail because by using Retail's money to run a Ponzi Scheme, there is nothing in Estate
3 for the creditors to share. Rather, the Transfers exacerbated the harm to creditors by increasing the
4 amount of claims while diminishing the Debtor's Estate. In this situation, the use of Retail's money to
5 further the Debtor's Ponzi Scheme cannot be consideration for the Transfers and cannot objectively
6 be called reasonably equivalent value.

7 107. Retail were therefore acting as an investor in the Debtor's Ponzi scheme and any
8 Transfers made to Retail can be avoided by the Plaintiff since the Transfers to Retail are preferential
9 and fraudulent such that they constitute property of the Estate in which the Plaintiff can recover.

10 108. Because the sale of the accounts receivable from Retail to Debtor are illegal under
11 federal and state law, they are void and subject to avoidance as fraudulent. Any purported
12 consideration constitutes unlawful consideration, which cannot constitute reasonably equivalent value.
13 Thus, at the time the agreements were executed and the Transfers made, Debtor received less than
14 reasonably equivalent value.

15 109. The Affiliate Agreements, the ARPA Agreements, and the Transfers of Debtor's funds
16 are avoidable as fraudulent pursuant to 11 U.S.C. § 544(b) and CAL. CIV. CODE §§ 3439.05 and
17 3439.07 by one or more creditors who held and hold unsecured claims against Debtor that were and
18 are allowable against his Estate under 11 U.S.C. § 502 or that were not and are not allowable only
19 under 11 U.S.C. § 502(e), including, without limitation, the Prepetition Creditors.

20 110. Accordingly, the Affiliate Agreements, the ARPA Agreements, and the Transfers
21 should be avoided as fraudulent under 11 U.S.C. §§ 544(b) and CAL. CIV. CODE §§ 3439.05 and
22 3439.07, and such transferred property, or the value thereof, should be recovered and preserved for
23 the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551 and CAL. CIV. CODE § 3439.07.

24 **FIFTH CLAIM FOR RELIEF**

25 **Count V - Avoidance, Recovery, and Preservation of Preferential Transfer to Retail in**

26 **Preference Period Against Retail**

27 **[11 U.S.C. §§ 547, 550, and 551]**

28 111. Plaintiff realleges and incorporates here by reference each and every allegation

1 contained in paragraphs 1 through 110 as though set forth in full.

2 112. On or about November 18, 2024, Trustee sent the Demand Letter to Retail. *See Exhibit*
3 3.

4 113. The Demand Letter discussed certain transfers from Debtor that were made to Retail
5 within the 4 year reach-back period prior to the Petition Date. The transfers were listed showing the
6 date and amount, according to Debtor's books and records, of each transfer or other payment. The
7 Demand Letter described that Retail was paid \$144,751.62 in Transfers and \$15,578.21 in Preference
8 Transfers. Trustee requested Retail provide information to assess whether any claim or defenses exist
9 related to the transfers.

10 114. Based on the information available to Trustee and considering the nature of the relationship
11 between Debtor and Retail, no potential defenses were identified that could reduce Retail's liability for the
12 preference payment.

13 115. The Preference Transfers were made for, or on account of, an antecedent debt or debts
14 owed by the LPG to Retail each of which constituted a "debt" or "claim" (as those terms are defined
15 in the Bankruptcy Code) of Retail.

16 116. The Preference Transfers happened while LPG was insolvent.

17 117. Debtor is also entitled to the presumption of insolvency when the Preference Transfers
18 happened pursuant to 11 U.S.C. § 547(f).

19 118. As a result of the Preference Transfers, Retail recovered more than it would have
20 received if: (i) the Debtor's case was under chapter 7 of the Bankruptcy Code; (ii) the Preference
21 Transfers had not been made; and (iii) Retail received payments of its debts under the provisions of
22 the Bankruptcy Code. As evidenced by the Debtor's schedules filed in the underlying Bankruptcy
23 Case, as well as the proofs of claim that have been received to date, the Debtor's liabilities exceed its
24 assets to the point that unsecured creditors will not receive a full payout of their claims from the
25 Debtor's Estate.

26 119. In accordance with the foregoing, the Preference Transfers are voidable pursuant to 11
27 U.S.C. § 547(b), and may be recovered and preserved for the benefit of the estate pursuant to 11 U.S.C.
28 §§ 550 and 551.

SIXTH CLAIM FOR RELIEF

Aiding and Abetting Against Defendants

**11 U.S.C. Sections 544(b), 550, and 551; Cal. Civ. Code Sections 3439.04(a), 3439.04 (b) and
3439.07**

120. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 119 as though set forth in full.

121. Defendants, based upon information and belief and based on the Ponzi Scheme Presumption, had knowledge of the fraudulent transactions, transfers and illegal agreements that were used to perpetuate and conceal the Ponzi scheme and fraudulent transfers.

122. Defendants, with the foregoing knowledge, intended to, and did, help the Debtor in perpetuating and concealing the Ponzi scheme and fraudulent transfers of money.

123. At all material times, Defendants had the intent to facilitate and conceal the Ponzi scheme and fraudulent transfers of money by aiding and abetting the illegal capping scheme and signing up consumer clients to keep the business going.

124. Defendants, upon information and belief, assisted, and did actually engage in, the commission of fraud and the Ponzi scheme by coordinating, facilitating, and directing payments and transfers of monies and executing documents in furtherance of concealing the true nature of their fraudulent and criminal activity related to the Ponzi scheme.

125. The injuries to Plaintiff, the Debtor's Estate and to its creditors directly, proximately and reasonably foreseeably resulting from and caused by violations of Sections 6151 and 6155 of the California Business and Professional Code include, without limitation, hundreds of thousands of dollars in improperly transferred and acquired monies.

126. Plaintiff and the Debtor's Estate also suffered damages by incurring attorney's fees and costs associated with the prosecution of Defendants' unlawful activities.

SEVENTH CLAIM FOR RELIEF

Count VI- Turnover of Estate Property Against Defendants

[11 U.S.C. § 542]

127. Plaintiff realleges and incorporates herein by reference each and every allegation

1 contained in paragraphs 1 through 123 as though set forth in full.

2 128. Defendants have possession or control over property of the Estate in the form of the
3 Transfers and Preference Transfers made pursuant to illegal and unenforceable agreements.

4 129. The Transfers and Preference Transfers are not of inconsequential value to the Estate.

5 130. The Transfers and Preference Transfers are paramount to Debtor's ability to pay
6 creditors.

7 131. Accordingly, Trustee is entitled to a judgment for turnover of the Transfers and
8 Preference Transfers pursuant to 11 U.S.C. § 542.

9 **RESERVATION OF RIGHTS**

10 132. Plaintiff reserves the right to bring all other claims or causes of action that Plaintiff
11 may have against Defendants, on any and all grounds, as allowed under the law or in equity,
12 including but not limited to, those claims not known by the Trustee at this time but that he may
13 discover during the pendency of this adversary proceeding.

14 **PRAYER FOR RELIEF**

15 **WHEREFORE**, Plaintiff prays for a judgment as follows:

16 **On The First, Second, Third, and Fourth Claims for Relief:**

17 1. Avoiding, recovering, and preserving the Transfers against Retail;

18 **On the Fifth Claim for Relief:**

19 2. Avoiding, recovering, and preserving the Preference Transfers against Retail;

20 **On the Sixth Claim for Relief:**

21 3. Awarding Plaintiff monetary damages in the amount of all fraudulent transfers obtained
22 by Defendants from Debtor;

23 **On the Seventh Claim for Relief:**

24 4. Ordering Defendants to immediately turnover the Transfers and Preference Transfers
25 it received from Debtor; and

26 **On All Claims for Relief:**

27 5. Awarding costs of suit incurred here;

28 6. Awarding punitive damages against Retail and Algazy; and

- 1 7. Awarding attorney's fees;
- 2 8. Awarding pre-judgement and post-judgement interest; and
- 3 9. Granting any other and further relief as the Court deems just and proper.

4 Dated: March 18, 2025

Respectfully submitted,

DINSMORE & SHOHL LLP

By: /s/Yosina M. Lissebeck

Yosina M. Lissebeck

*Counsel to Richard A. Marshack, Plaintiff
and Trustee of the LPG Liquidation Trust*

EXHIBIT 1

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Special Counsel to Richard A. Marshack

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In Re

The Litigation Practice Group P.C.,

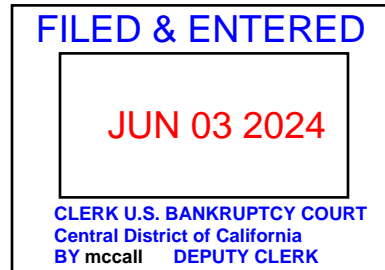
Debtor(s),

Case No: 23-bk-10571-SC

Chapter 11

**ORDER GRANTING MOTION FOR
ENTRY OF PROTECTIVE ORDER AND
THE PROTECTIVE ORDER**

Date: May 23, 2024
Time: 1:30 p.m.
Judge: Hon. Scott C. Clarkson
Place: Courtroom 5C (via Zoom)¹
411 West Fourth Street
Santa Ana, CA 92701



¹ Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at: <http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1 The Court has read and considered the Notice of Motion and Motion for Entry of Protective
2 Order (the "Motion") filed by Richard A. Marshack, in his capacity as the Chapter 11 Trustee (the
3 "Trustee") of the Bankruptcy Estate ("Estate") of The Litigation Practice Group P.C., on May 2, 2024,
4 pursuant to Federal Rule of Bankruptcy Procedure 7026 and Federal Rule of Civil Procedure 26(c)(1),
5 as Dk. No. 1164 ("Motion"), and has found good cause to grant the Motion.

6 IT IS HEREBY ORDERED that:

- 7 1. The Motion is granted;
- 8 2. The below Protective Order shall apply to any contested matter arising
9 in the main bankruptcy case and in all adversary proceedings filed by or against Trustee,
10 present and future; and
- 11 3. Govern the discovery conducted therein.

12 **PROTECTIVE ORDER**

13 **1. DEFINITIONS**

14 1.1 "Confidential Information" as used in this Protective Order shall mean documents and
15 other information (regardless of how generated, stored or maintained) that a Party or non-party
16 reasonably believes to contain or reflect non-public financial or business information, bank records,
17 financial records, such as social security numbers, non-public financial or personal information of a
18 Party or non-party, account numbers, sensitive digital information and identifiers, information subject
19 to confidentiality agreements or provisions other than this Protective Order, and other non-public
20 research, development, or commercial information that derives value or avoids injury by virtue of not
21 being known to the public.

22 1.2 This "Action" is defined and hereby means any contested matter arising in the main
23 bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future.

24 1.3 "Designating Party" means a Party or non-party that designates Confidential
25 Information during the Action.

26 1.4 "Receiving Party" means a Party that receives Confidential Information during the
27 Action.
28

1 1.5 "Party" or "Parties" means person or entity subject to this Protective Order.

2 **2. SCOPE OF THIS PROTECTIVE ORDER**

3 2.1 Unless otherwise ordered, this Protective Order shall govern certain documents and
4 other products of discovery obtained in the Action from the Parties there to, and from third parties.
5 As well as certain information copied or derived therefrom, excerpts, summaries or compilations
6 thereof, including, but not limited to, documents voluntarily exchanged as part of early settlement
7 discussions, documents produced pursuant to initial disclosures, requests authorized by the Federal
8 Rules of Civil Procedure made applicable herein by the Federal Rules of Bankruptcy Procedure,
9 answers to interrogatories, deposition transcripts, responses to requests for production, responses to
10 requests for admission, subpoenas, affidavits, declarations, expert reports, and other such material
11 and information as may be produced during the course of the Action and designated as Confidential
12 Information.

13 **3. DESIGNATION OF CONFIDENTIAL INFORMATION**

14 3.1 This Protective Order shall govern the production and handling of any Confidential
15 Information in this Action. Any Party or non-party who produces Confidential Information in this
16 Action may designate it as "Confidential" or "Attorneys' Eyes Only" consistent with the terms of this
17 Protective Order. Whenever possible, the Designating Party must designate only those portions of a
18 document, written discovery responses, deposition, transcript, or other material that contain the
19 Confidential Information and refrain from designating entire documents. Regardless of any
20 designations made hereunder, the Designating Party is not otherwise restricted from use or disclosure
21 of its Confidential Information outside of this Action or for any business purposes. In addition, any
22 Party may move to modify or seek other relief from any of the terms of this Protective Order if it has
23 first tried in writing and in good faith to resolve its needs or disputes with the other Parties or Party
24 as the case may be under the terms of this Protective Order. Further, nothing in this Protective Order
25 shall prevent a Party from redacting documents consistent with the Federal Rules of Civil Procedure
26 and utilizing the documents as needed through-out the Action.

27 3.2 Application to Non-Parties: Before a non-party is given copies of documents or
28 materials designated as Confidential Information or Attorneys' Eyes Only as permitted hereunder, it

1 must first sign an acknowledgment to be bound to these terms that is attached hereto as Exhibit A; if
2 it fails to do so, the Parties to this Action must resolve any such dispute before making disclosure of
3 designated information as permitted hereunder to the non-party. If a non-party wishes to make
4 designations hereunder, it must first sign attached Exhibit A.

5 3.3 Timing and Provisional Protection: Designations of Confidential Information may be
6 made at any time. To avoid potential waiver of protection hereunder, the Designating Party should
7 designate documents or materials containing Confidential Information at the time of production or
8 disclosure, including on the record during the taking of any deposition. Deposition testimony will be
9 deemed provisionally protected for a period of thirty (30) days after the transcript is released to the
10 Parties by the court reporter, although the Parties may agree at any time to different timelines of
11 provisional protection of information as Confidential or Attorneys' Eyes Only as part of one or more
12 specific depositions. To retain any designations beyond the provisional period, a Designating Party
13 must designate specific pages and lines of deposition testimony before the provisional period has
14 expired. Such designations must be made in writing so that all counsel and court reporters may append
15 the designation to all copies of the transcripts.

16 3.4 Manner of Designation: Confidential Information may be designated hereunder in any
17 reasonable manner or method that notifies the Receiving Party of the designation level and identifies
18 with specificity the information to which the designation applies. If made verbally, the Designating
19 Party must promptly confirm the designation in writing. Whenever possible, the Designating Party
20 should stamp, affix, or embed a legend of "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" on
21 each designated page of the document or electronic image that contains Confidential Information.

22 **4. CHALLENGES TO DESIGNATED INFORMATION**

23 4.1 In the event that a Receiving Party disagrees at any time with any designation(s) made
24 by the Designating Party, the Receiving Party must first try to resolve such challenge in good faith
25 on an informal basis with the Designating Party. The Receiving Party must provide written notice of
26 the challenge and the grounds therefor to the Designating Party, who must respond in writing to the
27 challenge within fifteen (15) days. At all times, the Designating Party carries the burden of
28 establishing the propriety of the designation and protection level. Unless and until the challenge is

1 resolved by the Parties or ruled upon by the Court, the designated information shall remain protected
2 under this Protective Order. The failure of any Receiving Party to challenge a designation does not
3 constitute a concession that the designation is proper or an admission that the designated information
4 is otherwise competent, relevant, or material.

5 **5. LIMITED ACCESS/USE OF PROTECTED INFORMATION**

6 5.1 Restricted Use: Information that is produced or exchanged in the course of the Action
7 and designated under this Protective Order may be used for preparation for trial and preparation for
8 any appeal of any and all matters in the Action, as well as related settlement negotiations, and for no
9 other purpose, without the written consent of the Designating Party. No Confidential Information may
10 be disclosed to any person except in accordance with the terms of this Protective Order, unless the
11 parties are co-counsel or have entered into joint defense agreements. All persons in possession of
12 Confidential Information agree to exercise reasonable care with regard to the custody, use, or storage
13 of such information to ensure that its confidentiality is maintained. This obligation includes, but is
14 not limited to, the Receiving Party providing to the Designating Party prompt notice of the receipt of
15 any subpoena that seeks production or disclosure of any designated information and consulting with
16 the Designating Party before responding to the subpoena. Any use or disclosure of Confidential or
17 Attorneys' Eyes Only information in violation of the terms of this Protective Order may subject the
18 disclosing person or party to sanctions.

19 5.2 Access to "Confidential" Information: The Party(ies) and all persons subject to this
20 Protective Order agree that information designated as "CONFIDENTIAL" may only be accessed or
21 reviewed by the following:

- 22 a) The Court, its personnel, and court reporters;
23 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a
24 joint defense agreement in the Action and their employees who assist counsel of record, or co-counsel
25 in the Action and are informed of the duties and obligations imposed hereunder;
26 c) The Parties, including their clients, agents and employees who are assisting or have
27 reason to know of the Action;

28 ///

d) Experts or consultants employed by the Parties or their counsel, or co-counsel, for purposes of an Action, so long as each such expert or consultant has signed attached Exhibit A; and

e) Other witnesses or persons with the Designating Party's consent or by court order.

5.3 Access to "Attorneys' Eyes Only" Designations: The Parties and all persons subject to this Protective Order agree that information designated as "ATTORNEYS' EYES ONLY" may only be accessed or reviewed by the following:

a) The Court, its personnel, and court reporters;

b) Counsel of record, or co-counsel for any Party, or other party that has entered into a joint defense agreement in the Action and their employees who assist counsel of record in the Action and are informed of the duties hereunder;

c) In-house counsel for any Party in the Action and Richard A. Marshack, as Chapter 11 Trustee of The Litigation Practice Group P.C. who is informed of the duties and obligations imposed hereunder;

d) Experts or consultants employed by the Parties or their counsel, or co-counsel for purposes of the Action, and so long as each such expert or consultant has signed attached Exhibit A; and

e) Other witnesses or persons to whom the Designating Party agrees in advance of disclosure or by court order.

5.4 Non-Waiver Effect of Designations: Neither the taking of, nor the failure to take, any action to enforce the provisions of this Protective Order, nor the failure to object to any designation, will constitute a waiver of any Party(ies)'s claim or defense in the Action or any other action or proceeding, including, but not limited to, a claim or defense that any designated information is or is not Confidential, is or is not entitled to particular protection, or embodies or does not embody information protectable by law.

5.5 In-Court Use of Designated Information: If information designated under this Protective Order will or may be offered in evidence at a hearing or trial related to any matter in the Action, then the offering party must give advance notice to the party or non-party that designated prior to offering the information so that any use or disclosure may be addressed in accordance with

1 the Court's case-management or other pre-trial order, or by a motion *in limine*. Nothing in this
2 Protective Order shall be construed as a waiver by a Party of any objections that may be raised as to
3 the admissibility at trial of any evidentiary materials.

4 **6. CLAW-BACK REQUESTS**

5 6.1 Failure to Make Designation: If, at any time, a Party or non-party discovers that it
6 produced or disclosed Confidential Information without designation, it may promptly notify the
7 Receiving Party and identify with particularity the Confidential Information to be designated and the
8 level of designation (the claw-back notification). The Receiving Party may then request substitute
9 production of the newly-designated information. Within thirty (30) days of receiving the claw-back
10 notification, the Receiving Party must: (1) certify to the Designating Party it has appropriately marked
11 or, if substitute production has been requested, destroyed all unmarked copies that it received, made,
12 and/or distributed; and (2) if it was practicably unable to mark or destroy any information because
13 disclosures occurred while the Receiving Party was under no duty of confidentiality under the terms
14 of this Protective Order regarding that information, the Receiving Party must reasonably provide as
15 much information as practicable to aid the Designating Party in protecting the information,
16 consistently with the Receiving Party's attorney-client, work-product, and/or trial-preparation
17 privileges.

18 6.2 Inadvertent Production of Privileged Information: If, at any time, a Party discovers
19 that it produced information that it reasonably believes is subject to protection under the
20 attorney/client, work-product, or trial-preparation privileges, then it must promptly notify each
21 Receiving Party of the claim for protection, the basis for it, amend its privilege log accordingly, and
22 comply with Fed. R. Civ. P. 26(b)(5). Whenever possible, the producing party must produce substitute
23 information that redacts the information subject to the claimed protection. The Receiving Party must
24 thereupon comply with Fed. R. Civ. P. 26(b)(5)(B) as to the information subject to the claimed
25 protection.

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1 **7. DURATION/CONTINUED RESTRICTIONS**

2 7.1 Handling of Designated Information Upon Conclusion of the Main Bankruptcy Case:

3 Upon conclusion of the Main Bankruptcy Case, by way of dismissal or closing of the case, the
4 Designating Party(ies) is/are responsible for ensuring that any Party or person to whom the
5 Designating Party shared or disclosed designated information in any of the matters under the Action
6 returns or destroys all of its copies, regardless of the medium in which it was stored. No witness or
7 Party may retain designated information that it received from any other Party or non-party under this
8 Protective Order; only counsel of record, or co-counsel, are the authorized agents who may retain one
9 copy for their respective legal files, and who must also describe to the Designating Party the extra
10 steps taken to protect its legal file containing paper and/or electronic copies of the designated
11 information so that it is not accessed, used, or disclosed inconsistently with the obligations under this
12 Protective Order. This provision does not apply to the Court or Court staff. Moreover, this provision
13 does not apply to Trustee, who may retain and use – consistent with this Order – Confidential
14 Information received in any Action during the entirety of the Bankruptcy.

15 7.2 Continued Restrictions Under this Protective Order: The restrictions on disclosure and
16 use of Confidential Information shall survive the conclusion of the Bankruptcy case and any matter
17 in the Action.

18 **8. PRIVILEGED OR PROTECTED INFORMATION**

19 8.1 Nothing in this Protective Order shall require disclosure of information that is
20 protected by the attorney-client privilege, the work-product protection, or any other legally cognizable
21 privilege (a “Privilege or Protection”). If information subject to a claim of Privilege or Protection is
22 inadvertently produced, pursuant to Federal Rule of Evidence 502(d) such production shall not
23 constitute a waiver of, or estoppel as to, any claim of Privilege or Protection for such information or
24 any other information that may be protected from disclosure by a Privilege or Protection in any
25 proceeding.

26 8.2 If a Party receives a document that appears to be subject to a Privilege or Protection,
27 then it shall refrain from examining the document any more than is essential to ascertain if it is
28 privileged or protected and shall promptly notify the producing Party in writing that the receiving


1 Party possesses material that appears to be subject to a Privilege or Protection. The producing Party
2 shall have seven (7) days after receiving such notice to assert a Privilege or Protection over the
3 identified material. If the producing Party does not assert a claim of Privilege or Protection within the
4 seven (7)-day period, the material in question shall be deemed not privileged or protected.

5 8.3 If a producing Party has produced a document subject to a claim of Privilege or
6 Protection, upon written request by the producing Party, the document for which a claim of Privilege
7 or Protection is made shall be sequestered or destroyed to the extent reasonably practicable, and the
8 receiving Party shall not use the document for any purpose other than in connection with analyzing
9 or disputing a claim of Privilege or Protection or in connection with a motion to compel the production
10 of the document.

11 8.4 The receiving Party sequestering or destroying such material may then move the Court
12 for an order compelling production of the material. The applicable producing Party bears the burden
13 of establishing the applicable Privilege or Protection of any clawed-back document or information as
14 and to the same extent that it would have borne such burden had it not produced the document or
15 information. Nothing in this Protective Order shall limit the Court's right or any receiving Party's
16 right to request an in camera review of any information subject to a claim of Privilege or Protection.

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24 Date: June 3, 2024


Scott C. Clarkson
United States Bankruptcy Judge

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EXHIBIT "A"

Exhibit "1"
Page 34

1 Christopher B. Ghio (State Bar No. 259094)
Christopher Celentino (State Bar No. 131688)
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7 Sarah S. Mattingly (Ky. Bar 94257)
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8 101 S. Fifth Street, Suite 2500
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9 Telephone: 859-425-1096
Facsimile: 502-585-2207
10 Sarah.mattingly@dinsmore.com
(Admitted pro hac vice)

11 Special Counsel to Richard A. Marshack,
12 Chapter 11 Trustee

13
14
15 **UNITED STATES BANKRUPTCY COURT**
16 **CENTRAL DISTRICT OF CALIFORNIA**

17
18 In Re

19
20 The Litigation Practice Group P.C.,
21 Debtor(s),

Case No. 8:23-BK-10571-SC

Chapter 11

**EXHIBIT A TO STIPULATED
ORDER**

Date: May 23, 2024

Time: 1:30 p.m.

Judge: Hon. Scott C. Clarkson

Place: Courtroom 5C¹ - Via Zoom
411 W. Fourth Street
Santa Ana, CA 92701

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28 ¹ Video and audio connection information for each hearing will be provided on Judge Clarkson's
publicly posted hearing calendar, which may be viewed online at:
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1 This is to certify that:

2 (a) I am being given access to Confidential Information pursuant to the
3 Stipulated Protective Order that was entered into the main bankruptcy case for
4 Litigation Practice Group, but which is binding and controlling as set forth by the
5 Court's Order on any and all contested matters and any and all litigation commenced
6 by Trustee;

7 (b) I have read the Stipulated Protective Order; and

8 (c) I agree to be bound by the terms and conditions thereof, including,
9 without limitation, to the obligations regarding the use, non-disclosure and return of
10 such Confidential Information. I further agree that in addition to being contractually
11 bound by the Stipulated Protective Order, I am subject to the jurisdiction of the above
12 reference Court for any violation thereof.

13

14 Date: _____

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Signature

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Printed Name

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EXHIBIT 2

Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	The Litigation Practice Group PC		2/28/2022	2/18/2022		139.60	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is us LLC/Nir Algazy Las Vegas, NV 891 48 us Ret: Weekly Disbursement Imad: 0218B1Qgc06C013156 Tm: 5188800049Jo
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Chase	The Litigation Practice Group PC		4/30/2022	4/18/2022		34.44	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is us LLC/Nir Algazy Las Vegas, NV 89148 us Ref: Weekly Disbursement Imad: 0418B1Qgc01C007919 Tm: 4356400i08Jo
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Chase	The Litigation Practice Group PC		5/31/2022	5/13/2022		108.24	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 891 48 us Ref: Weekly Disbursement Imad: 05i3BiQgc05C0i3i04 Tm: 74441001 33Jo
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Chase	The Litigation Practice Group PC		6/30/2022	6/3/2022		255.74	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is us LLC/Nir Algazy Las Vegas, NV 89148 us Ref: Weekly Disbursement Imad: 0603B1Qgc06C014469 Tm: 62086001 54Jo
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Chase	The Litigation Practice Group PC		7/31/2022	7/14/2022		1,326.72	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 07i4BiQgc03C009602
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Chase	The Litigation Practice Group PC		7/31/2022	7/29/2022		861.58	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is us LLC/Nir Algazy Las Vegas, NV 89148 us Ref: Weekly Disbursement Imad: 0729BiQgc02COi0002 Tm: 37078002i0Jo
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Chase	The Litigation Practice Group PC		8/31/2022	8/11/2022		694.53	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 0811 Bi Qgc02C005909 Tm: 3898200223Jo
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Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
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Chase	The Litigation Practice Group PC		9/30/2022	9/30/2022		2,759.19	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is us LLC/Nir Algazy Las Vegas, NV 89148 us Ret: Weekly Disbursement Imad: 0930BiQgc08C05645i Tm: 8680200273Jo
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Chase	The Litigation Practice Group PC		11/30/2022	11/10/2022		2,526.28	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLCINir Algazy Las Vegas, NV 89148 US Ret: Weekly Disbursement Imad: 1110B1Ogc08C048479 Tm: 8060000314Jc
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Chase	The Litigation Practice Group PC		12/31/2022	12/9/2022		2,386.14	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Ia US LLC/Nir Algazy Las Vegas, NV 89148 US Ret Weekly Disbursement Imad 1209B1Ogc08C034824 Tm 6584300343Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/19/2022		2,704.47	Fadwira Debit Via: Bk Amer Nyc/026009593 NC: Ratail Ia US LLC/Nir Algazy Las Vegas, NV 89148 US Ret. Weekly Diaburaement Imad. 121 98iQgc08C042807 Tm 8042400353Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/19/2022		41.63	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is us LLC/Nir Algazy Las Vegas, NV 89148 us Ret Weekly Disbursement Imad I2I9B1Ogc080042B00 Tm: 8D42500353Jo
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Chase	The Litigation Practice Group PC		12/31/2022	12/27/2022		4,951.12	Fedwire Debit Vie: Bk Amer Nyc1026009593 NC: Retell Is US LLC/Nir Algezy Les Veges, NV 89148 US Ret: Weekly Disbursement mad: 1227B1Dgc01C022308 Tm. 6980800361Jo

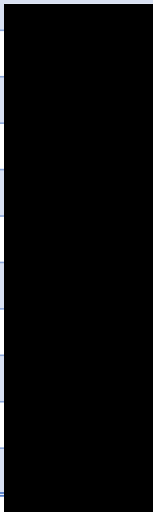
Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	The Litigation Practice Group PC		12/31/2022	12/30/2022		8.19	Fedwire Debit Via: Bk Amer Nyc/D26DD9593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret Weekly Disbursement Imad 123DB1OgcD8CD67782 Tm 5575500364Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/30/2022		1,245.86	Fedwire Debit Vie: Bk Amer Nyc/D26009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89t40 US Ret: Weekly Disbursement Imad: 123DB1OgcD7CD44D99 Tm. 55756DD364Jo
Chase	The Litigation Practice Group PC		1/31/2023	1/6/2023		1,484.11	Fedwire Debit Via Bk Amer Nyc/026009593 NC Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret: Weekly Disbursement Imad: 0i08B1Ogc08C029348 Tm: 471 7500006Jo
Chase	The Litigation Practice Group PC		1/31/2023	1/6/2023		55.62	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret: Weekly Disbursement Imad: 0106B1Dgc06C029394 Tm: 47246000063o
Bank of America	Litigation Practice Group PC		1/31/2023	1/13/2023		44.83	WIRE TYPEBOOK OUT DATE.2301 13 TIME:1 658 ET TRNQO2301 1300502834 RELATED REF:421502190 BNFRETAIL IS US LLC ID501011684985 PMT DET:01.13 .23 WEEKLY DISBURSEMENT
Bank of America	Litigation Practice Group PC		1/31/2023	1/17/2023		1,715.40	WIRE TYPEBOOK OUT DATEQ301 17 TIME:0430 ET TRNQO2301 1300507727 RELATED REF:421 502562 BNFRETAIL IS US LLC ID501 011684985 PMT DETO1 .13 .23 WEEKLY DISBURSEMENT
Bank of America	Litigation Practice Group PC		1/31/2023	1/23/2023		44.61	WIRE TYPE:BOOK OUT DATE:230123 TIME:0416 ET TRN:2023012300168427 RELATED REF:422398456 BNF:RETAIL IS US LLC ID:501011684985 PMT DET:WEEKLY DISBURSEMENT
Chase	The Litigation Practice Group PC		1/31/2023	1/24/2023		2,257.33	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLCINir Algezy Las Vegas, NV 89t48 US Ret: Weekly Disbursement mad. 0l2461Ogc08C032059 Tm: 5653200024Jo
Chase	The Litigation Practice Group PC		2/28/2023	2/7/2023		50.05	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 0207B1Ogc07C031926 Trn: 6649700038Jo
Chase	The Litigation Practice Group PC		2/28/2023	2/7/2023		3,649.78	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 0207B1Ogc07C031920 Trn: 6649600038Jo
Bank of America	Litigation Practice Group PC		2/28/2023	2/9/2023		14.12	WIRE TYPEBOOK OUT DATE230209 TIME:1 230 ET TRNQ023020900343993 RELATED REF:4251 02460 BNF:RETAIL IS US LLC 1D501 011684985 PMT DET:WEEKLY DISBURSEMENTS
						144,751.62	

EXHIBIT 3

Legal Counsel.

DINSMORE & SHOHL LLP
101 S 5th Street, Suite 2500
Louisville, KY 40202
www.dinsmore.com

Bryan L. Cockroft
(502) 540-2576 (direct) · (502) 585-2207 (fax)
Bryan.cockroft@dinsmore.com



VIA U.S. Mail

VIA E-Mail: nir@LeadBuyerHub.com

March 7, 2025

Retail Is Us LLC
9205 West Russell Road,
Building #3 Suite 240
Las Vegas NV, 89148
Attn: Nir Algazy

Re: *In re The Litigation Practice Group P.C.*
U.S. Bankruptcy Court, Central District of California
Case No. 8:23-bk-10571-SC

Dear Sir/Madam:

This constitutes a demand to provide any and all documents and information evidencing the basis for, accounting of, and any defenses to my client's claims to avoid and recover, the transfers to Retail Is Us LLC from The Litigation Practice Group P.C. ("Debtor").

This firm represents Richard A. Marshack, Chapter 11 Trustee for the bankruptcy estate of The Litigation Practice Group P.C. and liquidating trustee of the LPG Liquidation Trust (collectively, "Trustee") in the above-referenced bankruptcy case. Pursuant to 11 U.S.C. § 1107 and his appointment as Trustee, the Trustee has the obligation to investigate and pursue claims, including fraudulent transfers, preferential transfers, and unauthorized post-petition transfers. Under the Bankruptcy Code, the Trustee has the power to file lawsuits seeking to avoid, recover, and preserve such transfers for the benefit of the Estate. *See* 11 U.S.C. §§ 544 *et seq.*

A review of the Debtor's books and records confirms that Retail Is Us LLC received potential fraudulent conveyances totaling \$144,751.62, which can be avoided and recovered by the Trustee pursuant to 11 U.S.C. §§ 544 and 548 and Cal. Civ. Code. §§ 3439.04 and 3439.05 and potential preferential transfers totaling \$15,578.21, which can be avoided and recovered by the Trustee pursuant to 11 U.S.C. §§ 544 and 548 and Cal. Civ. Code. §§ 3439.04 and 3439.05.

The Trustee has been unable to determine why such transfers were made to Retail Is Us LLC, what was provided to the Debtor in exchange for such transfers, and whether defenses exist to the Trustee's claims to avoid and recover the transfers. Please respond to this letter attaching any evidence you have related to these transfers including contracts, agreements, subscriptions,

Retail Is Us LLC

March 7, 2025

Page 2

invoices, and any other documentation showing the date, terms, and amounts for the transfers received and any documents evidencing shipment dates as to goods and services provided by Retail Is Us LLC to the Debtor. Documents showing the course of dealing between Retail Is Us LLC and the Debtor, the date of receipt of the Debtor's payment and the amount, deposit date, and any proof of deposit for any or all of the transfers will be helpful in determining the permissibility of the transfers and what, if any, value the Debtor received in return for payments made to Retail Is Us LLC.

You are further notified that the claims against Retail Is Us LLC will be governed by the Federal Rules of Bankruptcy Procedure and the Federal Rules of Civil Procedure, which apply to lawsuits filed in federal bankruptcy courts such as the one in the Central District of California. Pursuant to these rules, every party to a lawsuit has a duty to preserve all evidence which could be relevant to the suit. These obligations also arise when, as here, litigation is reasonably foreseeable. This includes the duty to preserve all electronic evidence, such as emails discussing the incident or related to matters at issue in the suit. This duty to preserve evidence is broad and extends to all documents, regardless of whether the document is stored electronically (such as email) or in hard-copy and regardless of the type of document. For example, reports, spreadsheets, photographs and videotapes are all considered documents that must be preserved. Furthermore, the duty to preserve this documentary evidence extends to all documents in existence as of the time you reasonably anticipated this litigation.

To ensure that all relevant documents are preserved, you should communicate directly with all employees who have possession or control of potentially relevant evidence, including but not limited to personnel who deal with email retention, deletion, and archiving. You should advise each of these employees to preserve any relevant documents in their custody. Furthermore, you should advise all such persons that any regularly scheduled and/or automatic deletion of email or other electronic documents must be discontinued with respect to any relevant data. In addition, any document destruction (such as shredding of documents) must cease with respect to any relevant documents. All relevant documents, both electronic and paper, must be preserved for the duration of this litigation.

The deadline to respond to this request is December 2, 2024. Failure to respond and/or provide the requested documents will likely result in the Trustee filing an adversary complaint to avoid, recover, and preserve the subject transfers for the benefit of the Estate. If you would like to discuss this matter, please feel free to contact me by telephone (502) 540-2576 or e-mail at bryan.cockroft@dinsmore.com.

Sincerely,

/s/ Bryan L. Cockroft

Bryan L. Cockroft

EXHIBIT 4

Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	The Litigation Practice Group PC		12/31/2022	12/27/2022		57.19	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Ia US LLC/Nir Algazy Las Vegas, NV 89148 US Ret Weekly Disbursement Imad i227B1Qgc0iC0i6219 Tm 480390035Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/27/2022		4,951.12	Fedwire Debit Vie: Bk Amer Nyc1026009593 NC: Retail Is US LLC/Nir Algezy Les Vegas, NV 89148 US Ret: Weekly Disbursement mad: 1227B1Dgc01C022308 Tm. 6980800361Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/30/2022		8.19	Fedwire Debit Via: Bk Amer Nyc/D26DD9593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret Weekly Disbursement Imad 123DB1OgcD8CD67782 Tm 5575500364Jo
Chase	The Litigation Practice Group PC		12/31/2022	12/30/2022		1,245.86	Fedwire Debit Vie: Bk Amer Nyc/D26009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89t40 US Ret: Weekly Disbursement Imad: 123DB1OgcD7CD44D99 Tm. 55756DD364Jo
Chase	The Litigation Practice Group PC		1/31/2023	1/6/2023		1,484.11	Fedwire Debit Via Bk Amer Nyc/026009593 NC Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret: Weekly Disbursement Imad: 0i08B1Ogc08C029348 Tm: 471 7500006Jo
Chase	The Litigation Practice Group PC		1/31/2023	1/6/2023		55.62	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ret: Weekly Disbursement Imad: 0106B1Dgc06C029394 Tm: 47246000063o
Bank of America	Litigation Practice Group PC		1/31/2023	1/13/2023		44.83	WIRE TYPEBOOK OUT DATE.2301 13 TIME:1 658 ET TRNQO23O1 1300502834 RELATED REF:421502190 BNFRETAIL IS US LLC ID501011684985 PMT DET:O1.13 .23 WEEKLY DISBURSEMENT
Bank of America	Litigation Practice Group PC		1/31/2023	1/17/2023		1,715.40	WIRE TYPEBOOK OUT DATEQ3O1 17 TIME:O430 ET TRNQO23O1 1300507727 RELATED REF:421 502562 BNFRETAIL IS US LLC ID5O1 011684985 PMT DETO1 .13 .23 WEEKLY DISBURSEMENT
Bank of America	Litigation Practice Group PC		1/31/2023	1/23/2023		44.61	WIRE TYPE:BOOK OUT DATE:230123 TIME:0416 ET TRN:2023012300168427 RELATED REF:422398456 BNF:RETAIL IS US LLC ID:501011684985 PMT DET:WEEKLY DISBURSEMENT
Chase	The Litigation Practice Group PC		1/31/2023	1/24/2023		2,257.33	Fedwire Debit Via: Bk Amer Nyc1026009593 NC: Retail Is US LLCINir Algezy Las Vegas, NV 89t48 US Ret: Weekly Disbursement mad. 0i2461Ogc08C032059 Tm: 5653200024Jo
Chase	The Litigation Practice Group PC		2/28/2023	2/7/2023		50.05	Fedwire Debit Via: Bk Amer Nyc/026009593 NC: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 0207B10gc07C031926 Trn: 6649700038Jo
Chase	The Litigation Practice Group PC		2/28/2023	2/7/2023		3,649.78	Fedwire Debit Via: Bk Amer Nyc/026009593 A/C: Retail Is US LLC/Nir Algazy Las Vegas, NV 89148 US Ref: Weekly Disbursement Imad: 0207B1Ogc07C031920 Trn: 6649600038Jo
Bank of America	Litigation Practice Group PC		2/28/2023	2/9/2023		14.12	WIRE TYPEBOOK OUT DATE230209 TIME:1 230 ET TRNQO23020900343993 RELATED REF:4251 02460 BNF:RETAIL IS US LLC 1D501 011684985 PMT DET:WEEKLY DISBURSEMENTS
						15,578.21	

AP COVER SHEET

B1040 (FORM 1040) (12/15)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS Richard A. Marshack, Trustee of the LPG Liquidation Trust	DEFENDANTS Retail is US, LLC and Nir Algazy	
ATTORNEYS (Firm Name, Address, and Telephone No.) Christopher B. Ghio Christopher Celentino Yosina M. Lissebeck M. Trent Spurlock (pro hac vice)	ATTORNEYS (If Known) Dinsmore & Shohl LLP 655 West Broadway, Suite 800 San Diego, California 92101 619.400.0500	
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) (1) Avoidance, Recovery, and Preservation of 2-Year Actual Fraudulent Transfers; (2) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (3) Avoidance, Recovery, and Preservation of 4-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 4-Year Constructive Fraudulent Transfers; (5) Avoidance, Recovery, and Preservation of Preferential Transfer; (6) Aiding and Abetting; and (8) Turnover		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(1) – Recovery of Money/Property <input checked="" type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input checked="" type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ \$144,751.62	
Other Relief Sought		

B1040 (FORM 1040) (12/15)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR The Litigation Practice Group P.C.		BANKRUPTCY CASE NO. 8:23-bk-10571-SC
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISION OFFICE Santa Ana	NAME OF JUDGE Hon. Scott C. Clarkson
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Yosina M. Lissebeck		
DATE 3/18/2025	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Yosina M. Lissebeck	

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.